AMENDMENTS TO THE SPECIFICATION

In the Specification:

Please replace the first paragraph on page 3 lines 2-5 following the title "Brief Description of the Figures" with the following rewritten paragraph:

--Figure 1 sets forth a method for calculation of the node vega in accordance with the present invention, wherein ~~equation (5) show~~ equations (5a) and (5b) show calculation of the "node vega" if no early exercise occurs at the node, and equation (6) sets forth the node vega if early exercise occurs at the node. --

Please replace the paragraph on page 8 lines 5-13, as amended on February 1, 2008, with the following rewritten paragraph:

-- The "node vega" is calculated according to the expression in ~~Equation (5)~~ Equation (5b) (assuming that no early exercise occurs at the node) of Figure 1,

$$V_i = (\frac{1}{R}) \times [pV_{i+1}^{Up} + (1-p)V_{i+1}^{Down} + (C_{i+1}^{Up} - C_{i+1}^{Down}) \frac{\partial p}{\partial \sigma}]$$

where $\partial p / \partial \sigma$ is computed from the definition of risk neutral probability "p", where C_{i+1}^{up}, is the "up" node option price at the end of the subperiod, C_{i+1}^{down}, is the "down" node option price at the end of the subperiod, V_{i+1}^{up} and V_{i+1}^{down} are the up and down vegas at the end of the subperiod, and p is the "risk neutral probability". If early exercise occurs at the node, the vega at the node is given by Equation (6), $V_i = \partial S_i / \partial \sigma$ where S is the stock price at the node, where the stock price assigned to a particular node is indirectly a function of the volatility. This approach allows the vega to be calculated at the same time that the option price is calculated.--